

NORTH CAROLINA TURNPIKE AUTHORITY MINUTES
JULY 10, 2003 MEETING
RALEIGH, NORTH CAROLINA

The first meeting of the North Carolina Turnpike Authority met on July 10 at 10:30 a.m. in the Transportation Building Board Room. Turnpike Authority member Rusty Goode was absent. Secretary of Transportation Lyndo Tippet called the meeting to order. He welcomed everyone and thanked them for serving North Carolina by membership on the Turnpike Authority Board. The N. C. Turnpike Authority Members are: Perry R. Safran, Raleigh; Seddon Goode, Jr., Charlotte; Robert Teer, RTP; Sang J. Hamilton, Sr., Winton; Lanny Wilson, Wilmington; Robert Spencer, Gastonia; Allan R. Dameron, Supply; John Culbertson, Charlotte; and Secretary of Transportation Lyndo Tippet (ex-officio), Raleigh.

The N. C. Turnpike Authority, which was established by law in October 2002, is authorized to construct, operate and maintain up to three toll roads in the state. The Authority is also authorized to study, plan, develop and prepare preliminary designs for three additional toll roads that will require legislative approval to build them.

Secretary Tippet said with some of the members new to the transportation community, he was sure they all were aware of the rapidly growing need we have in our state. North Carolina's population has increased 37% since 1980, and during this same period, our highway travel has increased 116%, placing huge demands on our transportation system.

The Department is responding to this need in many ways – by continuing with our commitments to much-needed urban loops around our most congested areas, supporting the creation of regional rail systems and construction-free alternatives such as expanded transit and intelligent transportation systems.

Through N. C. Moving Ahead, a bold new initiative announced by the Governor in February, we are also working to fund important needs across the state such as maintenance, modernization and the expansion of public transportation.

All of these initiatives will help, but we are looking to this new Authority Board to boost these efforts by exploring a new tool for North Carolina.

Toll roads offer motorists living in congested areas a choice: continue to use existing routes or pay a toll for time-savings and convenience. These roads will also relieve the burden on other highways and enhance our state's overall economic competitiveness.

The N. C. Turnpike Authority will complement the department's ongoing congestion-fighting efforts and will help meet more transportation needs than what we could otherwise afford.

The role of this Authority is to examine whether there are places where people are willing to pay for improved travel service

Secretary Tippet set the tone of the first meeting with a three-fold charge.

First, it is paramount that any roads we construct in this state, whether traditional or toll road meet the requirements of the environmental planning process. All of us must be cognizant of our responsibility to protect the natural and cultural resources that make our state so special. Second, the projects we select should be financially feasible. Because these roads will be paid for at least partially by private investors, they must be able to generate a revenue stream that satisfies Wall Street. Third, and most important, these roads must be desired by the area in which they are located. Public involvement is central to any decision we make. It is also the backbone of Governor Easley's vision for One North Carolina, a place where every community matters and every individual counts.

Judge John Martin conducted the swearing in ceremony for all members present. Secretary Lyndo Tippet proceeded by asking for nominations from the floor for a Chairman of the Authority with Sang Hamilton nominating Lyndo Tippet as Chairman, Lanny Wilson as Vice Chairman and Perry Safran as Secretary and Treasurer. Allen Dameron seconded Mr. Hamilton's motion and all three nominees were elected with no opposition.

Each Authority member introduced himself and gave a little background information.

Perry Newson with the N. C. Board of Ethics gave an ethics orientation to the board members.

Deputy Secretary David King introduced the consulting team from PBS&J and welcomed all members of the Authority. Mr. King also introduced Bob Weiss and Evan Rodewald, who are staffed to the appropriations committee in the General Assembly. When we were charged by the legislature with looking at the feasibility of toll roads for North Carolina we procured the services of a transportation consulting firm, Post Buckley Schuh and Jernigan, since they had expertise in working with state agencies on toll roads – they performed a feasibility study and the study confirmed that toll roads, turnpikes and bridges were feasible in North Carolina.

Mark Boggs with PBS&J, gave a brief presentation on the Turnpike Authority's background and statutory charge. He stated the NC Turnpike Authority Board composition was two members selected by Senate President Pro-Tem, two members by House Speaker and four members by the Governor and the DOT Secretary. Two of these appointments may be Board of Transportation members. Appointments reflect regional diversity and the chair is selected by the members of the Turnpike Authority.

The NC Turnpike Authority principal functions are to construction, operate, and maintain three toll roads in the state: one project located in whole or in part in a county having a population of at least 650,000; one project located in one or more counties each having a population of less than 650,000 ;and to study, plan, develop and prepare preliminary designs for three additional toll roads.

The NC Turnpike Authority has additional powers to condemn property; issue bonds; enter into partnership agreements with political subdivisions of the state or private entities; and establish toll rates and collect tolls on turnpike projects.

Project selection requirements are to satisfy NEPA requirements, obtain public/political support and meet financial feasibility tests.

Victor Poteat talked about the education and business plan development process, discussing the initial plan and proposing a board retreat, a one day or one and half day retreat for the board to allow a more focused approach to developing a business plan and education plan. The general purpose is to provide current and relative information to the board. The retreat has been tentatively scheduled for the afternoon of September 11 and the morning of September 12. The team will facilitate a workshop with professional presenters with a focus on policy and business orientation on what the Turnpike Authority is all about. Planned topics would include the mission and values: a corporate perspective, goals and objectives setting targets and developing a NCTA organization that is streamlined, flexible and productive.

On a month to month basis we will have peer groups come in to talk about what they are doing in other states. We will talk about the project development process and project identification, environmental and design work, financing and right of way acquisition and construction and operations.

Keith Denton talked about the toll industry today in the U.S. There are approximately 5000 miles of toll facilities in operation in 34 states and Puerto Rico, owned/operated by 128 entities producing close to \$6.0 billion in annual revenues. The toll industry is extremely dynamic in the country today. 31 public agencies own and operate toll highway in 21 states and Puerto Rico. The primary market drivers for the U.S. Toll Industry are urban congestion and reduced mobility, concerns about public safety, concerns about slowing economic growth,

aging of the Interstate system, improved tolling technology and the growing funding disparity between highway needs and resources.

Mr. Denton discussed toll project development and construction; toll operations/technology; project finance; public/Intergovernmental relations; marketing; and strategic planning.

Robert Crawford from NCDOT discussed the legal/procedural requirements of the Authority and suggested the NCTA consider an ethics policy similar to the North Carolina Board of Transportation. By statute, NCTA is open to the public and the public record law applies to their meetings. NCTA by statute is administratively placed within the Department of Transportation and follows some of the same procedures as NCDOT, such as condemnation of property procedures. Contracting will also follow DOT procedures,

David King discussed the I-95 Tolling Feasibility Study. Statutes that created this Authority prohibit the tolling of existing facilities, however, the legislature has asked us to take a look at tolling I-95. We have 182 miles of Interstate 95 that runs from Virginia to South Carolina.

Melissa Dorman reviewed the travel policy with the Authority members explain the reimbursement procedures for attending meetings.

There being no further discussion, Chairman Tippet adjourned the meeting.

The first meeting of the Turnpike Authority Board adjourned at 1:15 p.m.

Minutes prepared by Alice Murphy.
NCDOT, 919-733-3690 ext. 210